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October 20, 2011

Julius Genachowski
Chairman
Federal Communications Commission
445 12th St SW
Washington, District of Columbia 20554-0004

WCB/FCC
USF/1507

Dear Chairman Genachowski:

I write regarding the National Broadband Plan and the reform of the Universal Service Fund and intercarrier compensation system. Since its creation in 1934, the FCC has been tasked with ensuring access "to all the people of the United States ... a rapid, efficient, Nation-wide, and world-wide wire and radio communications service with adequate facilities at reasonable charges." I commend the FCC on its efforts to achieve the worthy goal of Universal Service. We must continue the effort to ensure that telecommunications services are available to *all* Americans, especially those in rural, insular, and high cost areas.

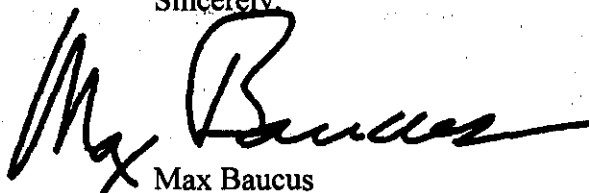
I previously joined my Senate colleagues to draw attention to the unique circumstances facing rural areas as the FCC reforms the Universal Service Fund to include broadband expansion. Thank you for your response and promise to consider existing investments in rural areas as the Fund is reformed. Modernization of the program is needed, but should not be done in a way that hinders services that rural residents rely on. I further call on the FCC to give full consideration to the ideas and structure of proposals submitted by rural telecom stakeholders.

I am encouraged that the Broadband Plan sets aggressive goals, such as bringing Internet access speeds of 100 megabits per second (Mbps) to 100 million homes. However, I fear the minimum goal for Internet speeds for rural residents of less than 4 Mbps will hurt the competitiveness of rural states like Montana. It is essential that rural areas have access to broadband services with comparable reliability, quality, and cost to the broadband access millions of Americans in more urban areas have already come to rely on.

Frontier states such as Montana face unique issues in broadband deployment that are critical to job growth and economic development in rural America. In Montana, the Universal Service Fund has been vitally important in supporting broadband capable telecommunications infrastructure investment in rural areas both for incumbent and competitive providers, wireline and wireless. The sustainability of main street businesses is especially essential in these fiscally challenging times.

I look forward to future cooperative efforts with the FCC to enhance economic, health care, and educational opportunities in our state. As the reforms to the Universal Service Fund continue, I call on the FCC to achieve an appropriate balance toward the goal of Universal Service by investing fairly in those telecommunications customers living in remote and frontier America.

Sincerely,



Max Baucus
U.S. Senator

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FEDERAL COMMUNICATIONS COMMISSION

JULIUS GENACHOWSKI
CHAIRMAN

November 17, 2011

The Honorable Max S. Baucus
United States Senate
511 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Baucus:

Thank you very much for your letter regarding the Commission's efforts to reform and modernize the Universal Service Fund (USF) and the intercarrier compensation system (ICC). Your thoughts and concerns were a valuable contribution to our process, and were considered as part of the Commission's deliberations.

On October 27, after many years of hard work on Capitol Hill, among the FCC's Commissioners, and by Commission staff, the Commission unanimously adopted a comprehensive Order overhauling the broken and backward-looking USF and ICC systems for the Internet age. By transitioning these programs to the Connect America Fund, we are delivering on our shared national goal of universal voice and broadband service – including universal mobile voice and broadband service – and enabling increased private sector investment in the indispensable infrastructure of the 21st century: broadband. Importantly, our reforms are fiscally responsible, eliminating waste and inefficiency, using market-based mechanisms to target support where it is needed, and putting the Fund on a firm budget.

The Commission's Order will create jobs beginning in 2012, and lay the foundation for enduring job creation, economic growth, and U.S. global competitiveness for years to come.

For your information, I am enclosing a copy of the Order's "Executive Summary." Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Genachowski", is written over the printed name.

Julius Genachowski

Enclosure